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FLOOR DEBATE

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SENATOR CUDABACK: Seeing no opposition, so ordered.

SPEAKER BROMM: Thank you, Mr. President. This is an amendment that we spoke a little about yesterday and this attempts to address a section of statutes, 25-21,211, that deals with interest rates in the event that a judgment is rendered against the state and ultimately certified by the court to the director of DAS, and if the director of DAS finds that we don't have the money to pay it, then what interest is paid on that judgment. First of all, I want to correct something. Yesterday when we were discussing this concept, I had some information. This statute was last amended in 1987, when interest rates were very...or '79, when interest rates were very high. However, this component was not amended at that time. This component goes back to LB 1877, is the original text of the statute when this...when this rate was inserted, and that component has not been changed since then, which is pretty amazing. Now there's...one would say, why in the world would that be the case, but if you look at the history of interest rates, and I have a study here that I'd share if anyone would be interested, but it's a history of interest rates and their use by government agencies, and it's indexed for inflation. And back in 1867 to 1880, the real interest rate was 9.1, and so...whereas now it is, the real interest rate is less than 4 percent. So it's an interesting thing to try to figure out what was the intent of inserting the 10 percent, and maybe that isn't necessary for us to try to figure that out entirely. The question is now what should the policy be with respect to a situation that we find ourselves in, or we could find ourselves in? And let me suggest that future litigation could very well arise at any time, and judgments could very well happen in the world we're in and the litigious environment that we have and the causes of action that can...that can be brought. Just some of the things that I've thought about, and I mentioned this yesterday--the water rights, the water claims that are potentially out there in the western part of Nebraska, and particularly with the situation we're in today with, again, arid conditions, extreme drought; conflicts over the use of water; having no water, meaning no crop, meaning no income, meaning not being able to pay the mortgage, maybe meaning losing the farm. Whose fault is that if I have no water? Claims can be brought, and in some places have been